



**ASHESI UNIVERSITY COLLEGE**

**INVESTIGATING THE INFLUENCE OF BRAND ACTIVATION ON  
CUSTOMER BRAND LOYALTY IN THE GHANAIAN SOFT DRINK  
MARKET: A CASE STUDY OF THE SPRITE BRAND**

**KEVIN VICTOR ESHUN**

**2014**

**THESIS**

**ASHESI UNIVERSITY COLLEGE**

**INVESTIGATING THE INFLUENCE OF BRAND ACTIVATION ON  
CUSTOMER BRAND LOYALTY IN THE GHANAIAN SOFT DRINK  
MARKET: A CASE STUDY OF THE SPRITE BRAND**

**BY**

**KEVIN VICTOR ESHUN**

Dissertation submitted to the Department of Business Administration

Ashesi University College

In partial fulfilment of Bachelor of Science degree in Business Administration

**APRIL 2014**

## **DECLARATION**

I hereby declare that this dissertation is the result of my own original work and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature:.....

Candidate's Name:.....

Date:.....

*I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision of dissertations laid down by Ashesi University College.*

Supervisor's Signature:.....

Supervisor's Name:.....

Date:.....

## **ACKNOWLEDGMENT**

First and foremost, I would like to thank my supervisor, Mr. Anthony Ebow Spio for his guidance throughout this project. His insights and coaching helped me push it in the right direction. Thanks also go out to the Coca Cola Company and my confidants at EXP Ghana for providing me with needed information for this study.

I would also like to express my immense gratitude to my parents, Sam and Tina Eshun, my little sister Audrey, and my extended family for supporting me since day one. Without their love and support all this would not have been worth it.

Finally, I dedicate this research to my grandfather, the late William Stephen Swatson, whose sense of family spirit was and always will be an inspiration.

## **ABSTRACT**

Brand Activation refers to a form of experiential marketing that not only facilitates consumer-brand interaction, but creates trust and attachment between the consumer and brand as well. This research paper seeks to investigate the influence of brand activation on customer brand loyalty towards the Sprite brand in Ghana.

The objectives of this study are to determine whether there is a significant relationship between brand activation and customer loyalty towards the Sprite brand, as well as understand why and how brand activation is being used in the Ghanaian soft drink market. It also makes recommendations as to how brand activation can be used to more of an advantage by the Coca Cola Company, in terms of creating and retaining loyal customers.

The study involved both secondary and primary research, from a critical review of the literature on the subject matter, to data gathered from surveys and interviews. Survey respondents comprised of consumers who were involved or exposed to the 2013 Sprite Ball Championship Brand Activation, as well as those never activated by Sprite before. The Customer Loyalty of both groups were measured before and after the Sprite activation period and an independent t-test was used to measure the significance in loyalty changes. Interviewees included one marketing executive each from Coca Cola and EXP Ghana (A marketing agency that undertakes brand activations).

Results revealed that it was the non-activated consumers, though not exposed to the Sprite activation, who seemed to become more loyal after the Sprite Ball Championship at a higher rate in comparison to the activated group. The independent t-test also showed insufficient evidence to suggest a significant relationship between brand activation and customer loyalty towards the Sprite brand.

Recommendations were made for Coca Cola to implement mini follow-up activations, as well as more personal marketing towards individuals, in order to strengthen the relationship between Sprite and its consumers, increasing customer loyalty in the process.

**Key Words:** *Experiential Marketing, Brand Activation, Customer Loyalty, Customer Loyalty Matrix, Relative Attitude, Tripartite Theory of Attitudes*

# Table of Contents

<b>ACKNOWLEDGMENT</b> .....	ii
<b>ABSTRACT</b> .....	iii
<b>CHAPTER 1 – INTRODUCTION</b> .....	1
1.1 Background .....	1
1.2 Problem Statement .....	3
1.3 Research Questions .....	5
1.4 Theoretical/ Conceptual Framework - Dick and Basu (1994)-Loyalty Typology and the Tripartite Theory of Attitudes.....	6
1.5 Hypotheses/ Proposition- Brand Activation (Morel, Preisler & Nyström, 2002) .....	7
1.6 Objectives .....	8
1.7 Organization of Thesis .....	8
<b>CHAPTER 2 – LITERATURE REVIEW</b> .....	10
2.1.1 Customer Loyalty Typology.....	10
2.1.2 Tripartite Theory of Attitudes .....	12
2.2 Experiential Marketing .....	13
2.2.1 Traditional to Experiential Marketing.....	13
2.2.2 Strategic Experiential Modules (SEM's) & Experience Providers (ExPros) .....	14
2.3 Experiential Marketing & Customer Loyalty .....	16
2.4 Brand Activation Theory (Morel, Preisler, & Nyström, 2002) .....	17
2.5 Brand Activation and Customer Loyalty (Literature Gap) .....	18
<b>CHAPTER 3– METHODOLOGY</b> .....	20
3.1 Hypothesis.....	20
3.2 Research Objectives.....	20
3.3 Type of Study and Research Design.....	21
3.4 Sampling .....	22
3.5 Sample size.....	23
3.6 Data collection .....	24
3.7 Research instruments .....	25
3.8 Data collection period .....	27
3.9 Data analysis.....	27
<b>CHAPTER 4 – DATA ANALYSIS &amp; FINDINGS</b> .....	28

4.1 Interviews.....	28
4.1.1 Interview with Coca Cola Marketing Executive.....	29
4.1.2 Interview with EXP Ghana Regional Manager – Aziz Amankwa.....	31
4.1.3 Major Findings from Interviews.....	33
4.2 Questionnaire Analysis .....	34
4.2.1 Demographics .....	34
4.2.2 Brand Loyalty towards Sprite Brand (Before and After Activation) .....	35
4.2.3 Hypothesis Testing .....	40
<b>Chapter 5 – Conclusion and recommendations</b> .....	42
5.1 Conclusion .....	42
5.2 Comparison of Findings to Literature.....	43
5.3 Recommendations .....	43
5.3.1 Mini follow-up activations.....	44
5.3.2 More personal marketing towards individuals .....	44
5.4 Limitations.....	45
5.5 Further Studies .....	46
<b>References</b> .....	47
<b>APPENDIX</b> .....	49
APPENDIX A: QUESTIONNAIRE.....	49
APPENDIX B: Interviewing Guide.....	52
APPENDIX C: Change in Loyalty Values.....	53
APPENDIX D: Respondent Consent Form .....	54



## List of Tables/ List of Figures

- Fig. 1 Dick & Basu Loyalty Matrix.....	Pg. 10
- Fig. 2 Loyalty Matrix + Tripartite Theory of Attitudes.....	Pg. 13
- Fig. 3 Non-Equivalent Groups Design.....	Pg. 21
- Fig. 4.1 Male and female respondents.....	Pg. 34
- Fig. 4.1.1 Age of Activated Respondents.....	Pg. 35
- Fig. 4.1.2 Age of Non-Activated Respondents.....	Pg. 35
- Fig. 4.2 Bivariate Distribution.....	Pg. 36
- Fig. 4.3 Plot of Post-test and Pre-test means.....	Pg. 37
- Fig. 4.4.1 Activated Brand Loyalty before.....	Pg. 38
- Fig. 4.4.2 Activated Brand Loyalty after.....	Pg. 38
- Fig. 4.4.3 Non-activated Brand Loyalty before.....	Pg. 39
- Fig. 4.4.4 Non-activated Brand Loyalty before.....	Pg. 39
- Fig. 4.5 Independent t-test.....	Pg. 40

# **CHAPTER 1 – INTRODUCTION**

## **1.1 Background**

What does it mean to have an experience? Every now and then we hear the phrase; “experience is the best teacher”, but why is that? Experiences consist of sensory, emotional, cognitive, behavioral and relational elements (Pettit, Cook, Belmont, & Sokolyanskaya, 2008). Therefore, to experience something, one has to fully involve all five senses, think along the lines of the situation, act upon it and form a relationship with whatever is being experienced. To experience something means to fully understand and be part of it. This aspect of experiencing is what makes it the next big thing in marketing communications (Obonyo, 2011).

Sharma and Sharma (2011) define experiential marketing as a “media mix promotional discipline” used to encourage and incorporate the use of the five senses and physical interaction of consumers into brands. It has grown in importance over the past decade because traditional marketing is finding it more difficult to cater for fragmented media, clever and articulated customers, and the rise of the “free-thinking” consumer (Obonyo, 2011). This paper however, looks at a particular form of experiential marketing termed “brand activation”. Brand activation refers to generating consumer interest by allowing consumers to use a product or experience a service (Ansari, 2011). The main objective of brand activation is to convince consumers that the brand can be trusted and that marketing messages are true, whereas general experiential marketing has less specific objectives and its experiences do not

need to be directly linked to marketing claims (Lacoma, n.d.). Obviously, a key goal of every firm is to get consumers to continuously choose their brands over those of rivals and this paper seeks to find out how brand activation influences customer loyalty in the Ghanaian soft drink beverage market, using Sprite, a product of the Coca Cola Company as a case study.

In the next three years, the Ghanaian economy is expected to grow at an average rate of 8%, with the beverage industry growing at a similar rate (Matsika, 2011). When it comes to carbonated soft drinks, Coca Cola was leading the market with a 95% share as of 2008 (Daily-Guide, 2008). Today, they are still the market leaders but with a share of about 70%. This was mostly thanks to the introduction of Alvaro by Guinness Ghana Breweries Limited (GGBL) in 2009; a non-alcoholic malt based drink that helped GGBL attain about 25% of the soft drink market (GGBL Circular for Extraordinary General Meeting, 2011). Other companies such as Classic Beverages Nigeria Limited with their "La Casera" soda drink are biting off small parts of the market share, but not enough to threaten the likes of Coca Cola, which is also the global leader in the industry (La Casera launched in Accra, 2011).

Advertisement and general marketing communication efforts in the industry have traditionally been dominated by television and radio, which has gone a long way in creating awareness for the various brands (approximately 8 out of 10 people watch TV) (Bruijin, 2011). However, awareness does not guarantee customer loyalty. The adoption of new marketing communications

such as brand activation could provide that extra edge to promote customer loyalty and increase companies' revenue in the process.

Over the years, marketing personnel from the Coca Cola Company have picked up on brand activation and are putting it into practice. Back in 2012, the Coca Cola Company launched an activation dubbed "eat with your heart", geared towards getting the public to liven up their meal times with Coca Cola. Basically, what the company did was set up branded apparel at various eateries, and lucky buyers of Coke, Fanta or Sprite stood the chance of winning up to 500,000 branded products, all with entertainment to attract passers-by. The activation went on from 1<sup>st</sup> of March till 31<sup>st</sup> May (Daily-Guide, Coca-Cola Gives Freebies, 2012). The Coca Cola Company also hosts an inter-schools basketball tournament every year known as "Sprite Ball Championship". It has the objective of unearthing talents and developing existing ones amongst the high schools in Ghana (Sprite Ball Championship, 2011). In doing this, the Coca Cola Company hopes to make loyal customers of their Sprite brand by portraying it as a soft drink of socialization that develops youthful talents as well. This particular annual activation is what will be used in research and data analysis for this study.

## **1.2 Problem Statement**

As stated earlier, making headway with just traditional marketing techniques has become more and more difficult over the years (Obonyo, 2011). Initially, consumers were viewed as rational decision makers who only cared about the functional features of products. Experiential marketing shows

us that consumers are rational, as well as emotional human beings who are concerned with achieving pleasurable experiences (Schmitt, 1999). A lot of research has been done on customer loyalty towards carbonated soft drinks and how different elements could affect it. For example, Mise, Nair, Odera and Ogutu (2013) sought to establish the key factors that influence brand loyalty among soft drink consumers in the Kenyan and Indian markets. The study was carried out between January 2012 and October 2012. The target group was made up of mostly the youth who were sampled from local universities in both countries. The study established that in India, peer groups are more powerful in influencing potential consumers to take soft drinks while in Kenya, parents play a crucial role. More importantly too, it was established that of the six variables studied, promotion is the strongest influencing factor among Kenyan soft drinks consumers while in India, brand quality matters most. However, brand activation was not part of their variables. Though there is some aspect of product promotion included in brand activation, it is still vastly more detailed and geared towards experience.

Research has also been done on experiential marketing's impact on certain variables, like Obonyo's (2011) paper on how experiential marketing influences customer loyalty in the telecommunications industry. The research showed that experiential marketing and customer loyalty are positively related variables. These results are backed by Schmitt (1999) who emphasized that businesses must design experiences leading to positive effects on consumers' willingness to repurchase. Bei-Jan (2001) also backs this by noting how experiential approaches seek to identify values held in common across an

audience. Once a customer resonates with those values it becomes emotional, likely leading to customer loyalty.

The literature gap however, lies in the research done on how “brand activation” influences customer loyalty towards soft drinks. The Ghanaian beverage market is growing (Matsika, 2011) and it would be very important for companies to know to what extent brand activation can help them promote or encourage customer loyalty. Undertaking this research will also contribute greatly to the knowledge and information in the subject area. Coca Cola is undoubtedly the market leader when it comes to soft drinks in Ghana. However, to keep their loyal customers might become more and more of a challenge as new products such as Master Cola, La Casera and the re-introduction of Muscatella by ABL, have started to enter the market. Like it was stated earlier, consumers are becoming more and more open minded and willing to try new things. This research will help Coca Cola learn to what extent brand activation helps in keeping their customers and how they can use it to hold onto their market lead.

### **1.3 Research Questions**

This study is geared towards investigating the influence of brand activation on customer brand loyalty in the soft drinks market in Ghana, using Sprite (A product of the Coca Cola Company) as a case study. Therefore it seeks to answer the following questions.

- i. What is the nature of brand activations in the soft drink market in Ghana?
- ii. What influence does brand activation have on customer loyalty towards the Sprite brand?

#### **1.4 Theoretical/ Conceptual Framework - Dick and Basu**

##### **(1994)-Loyalty Typology and the Tripartite Theory of Attitudes**

According to Uncles, Dowling and Hammond, (2003) customer loyalty can be looked at from three different angles. First of all, it can be looked at in terms of a customer's positive attitude towards a brand, resulting in an emotional connection. It can also be looked at purely in terms of a customer continuously repurchasing a brand. Finally, there's the contingency approach described by Uncles et al (2003), which assumes that customer loyalty can be affected by certain variables such as individuals' current circumstances or situation (Garland & Gendall, 2004). However, over the years, it has generally been argued that loyalty is a two-dimensional construct incorporating both attitudes and behavior (Garland & Gendall, 2004). Dick and Basu's (1994) customer loyalty model is one of the most, if not the most cited conceptualization of the combined effects of attitude and behavior. They suggest that loyalty is the result of the interaction between a customer's relative attitude to a brand, and their repeat purchase behavior for that brand. The typology divides customers into four loyalty groups. Customers with high attitudinal and behavioral loyalty are described as 'true loyals', those with high behavioral loyalty but low attitudinal loyalty as 'spurious loyals', those with high attitudinal loyalty but low behavioral loyalty as 'latent loyals', and those

with low attitudinal and behavioral loyalty as 'non loyals' (Garland & Gendall, 2004).

This theory however, states that customer attitudes are influenced by three factors: The cognitive, conative and behavioral factors, known as the "Tripartite Theory of Attitudes". More light will be shed on this in the next chapter.

### **1.5 Hypotheses/ Proposition- Brand Activation (Morel, Preisler & Nyström, 2002)**

In today's day and age, merely offering supreme product features is not enough to fully achieve marketing objectives (Morel, Preisler, & Nyström, 2002). While the basic idea about active brands is to execute the brand in other terms than marketing, the real value lies in the opportunities it creates. Most fundamentally, brand activation contributes in creating trust between the customer, the society and the brand, and trust is one of the key factors to create loyalty between consumers and brands (Morel, Preisler, & Nyström, 2002). Morel, Preisler & Nyström (2002) assume that customer loyalty can be established once the product trial is generated and added with the brand experience which customer is exposed to by getting involved in various brand activation programs.

This hypothesis, together with the Dick and Basu Loyalty Typology will be the basis for this research paper and understanding how brand activation influences customer loyalty towards the Sprite brand in Ghana.



- Null Hypothesis ( $H_0$ ) – There is no significant relationship between brand activation and customer loyalty towards the Sprite brand.
- Alternative Hypothesis ( $H_1$ ) – There is a significant relationship between brand activation and customer loyalty towards the Sprite brand.

## 1.6 Objectives

- I. To ascertain whether there is a significant relationship between brand activation and customer loyalty towards the Sprite brand.
- II. To determine how and why brand activations are being used in the Ghanaian soft drink market.
- III. To make recommendations as to how brand activation can be used and taken advantage of by the Coca Cola Company.

## 1.7 Organization of Thesis

- **Chapter one** will introduce the reader to the study, explain its purpose and give an overview as to how the research will be directed.
- **Chapter two** will discuss the key issues raised in literature revolving around the thesis research. It will highlight on experiential marketing, brand activation and how they both relate to customer loyalty. The chapter will be broken down into the following topics:
  - Customer Loyalty
  - Experiential Marketing
  - Experiential Marketing and Customer Loyalty
  - Brand Activation Theory

- Brand Activation and Customer Loyalty
- **Chapter three** will outline the research design, sampling procedure and data collection methods to be used in the study.
- **Chapter four** will present the data obtained from the study in the form of graphs and tables, as well as an independent t-test.
- **Chapter five** will present a thorough analysis of the study data. It will also discuss the findings of the research and give recommendations as to how the Coca Cola Company can use brand activation to more of an advantage, in terms of making and retaining loyal customers.

## CHAPTER 2 – LITERATURE REVIEW

This chapter seeks to discuss the key issues raised in literature revolving the thesis research. It will highlight on experiential marketing, brand activation and how they both relate to customer loyalty.

### 2.1 Customer Loyalty

#### 2.1.1 Customer Loyalty Typology

Many researches throughout the 20<sup>th</sup> century such as Brown (1952) conceptualized customer loyalty as purely behavioral i.e. repeat purchasing of a particular brand (Jensen, 2011). However, as time went on, others started to question the validity of defining loyalty as such. Among these many researchers to question this hypothesis were Dick and Basu (1994) who claimed that repeat purchasing might not necessarily mean loyalty, seeing as it may be caused by other factors such as preference for convenience or situational constraints. Hence, they came up with a framework to cater for these factors (Jensen, 2011). Below is a visual representation of the Dick and Basu Loyalty Typology. It will be used to structure questionnaires and analyze data.

		Repeat Patronage	
		High	Low
Relative Attitude	High	True Loyalty	Latent Loyalty
	Low	Spurious Loyalty	No Loyalty

Fig. 1- Dick & Basu Loyalty Typology Matrix

Dick and Basu's (1994) customer loyalty typology model is a framework of the combined effects of a consumer's relative attitude towards a brand and the repeat purchasing of it (Garland & Gendall, 2004). Relative attitude in this context, refers to the extent to which customers can see similarities and/or can tell differences between brands, with less similarities linking to low relative attitude and vice versa. Dick and Basu (1994) divided these attitudinal and behavioral dimensions into two levels (high and low) with a four category grid model. The low levels consist of "No Loyalty" and "Spurious Loyalty", whereas the high levels consist of "Latent Loyalty" and "True Loyalty"

No Loyalty: This category is characterized by a low relative attitude combined with no or limited repeat purchases (consumers see few differences between alternative brands). In this case, brand switching can be caused by situational factors like products being sold out or alternatives with better price offers.

Spurious Loyalty: Spurious Loyalty is characterized by the frequent purchase of a brand but no relative attitude or preferences for brand (very common with grocery products).

Latent Loyalty: Characterized by a strong attitude of preference for particular brand, but with limited customers purchasing. This can be caused by consumers not being able to purchase at the same store all the time.

True Loyalty: When high level of repeat purchase is due to high relative attitude or preference for a particular brand. These customers are less likely

to be influenced by situational factors, less motivated to search for alternatives and more likely to act as brand ambassadors.

### **2.1.2 Tripartite Theory of Attitudes**

According to Dick and Basu (1994), their loyalty typology being a relationship between relative attitude and repeat purchasing can be facilitated or weakened by three attitudinal factors; namely, the affective, cognitive and conative components (Jensen, 2011). The affective component refers to how customers feel emotionally toward a brand's characteristics. They are typically generated from sensory based experiences with a brand. The cognitive component refers to the knowledge and beliefs customers have about a brand and finally, the conative/behavioral component is multi-faceted. It refers to how customers behave towards a brand, and these behaviors can consist of actual product purchase, sample trials, making recommendations or even discussing its pros and cons (Jensen, 2011).

The way customers behave towards a brand (conative component) is actually an effect of the customer's cognitive and affective responses. How customers feel emotionally about a brand, combined with their perception of it directly affect how they act towards it. Hence, affecting customer loyalty (Theories of Attitude Formation & Change, 2001).

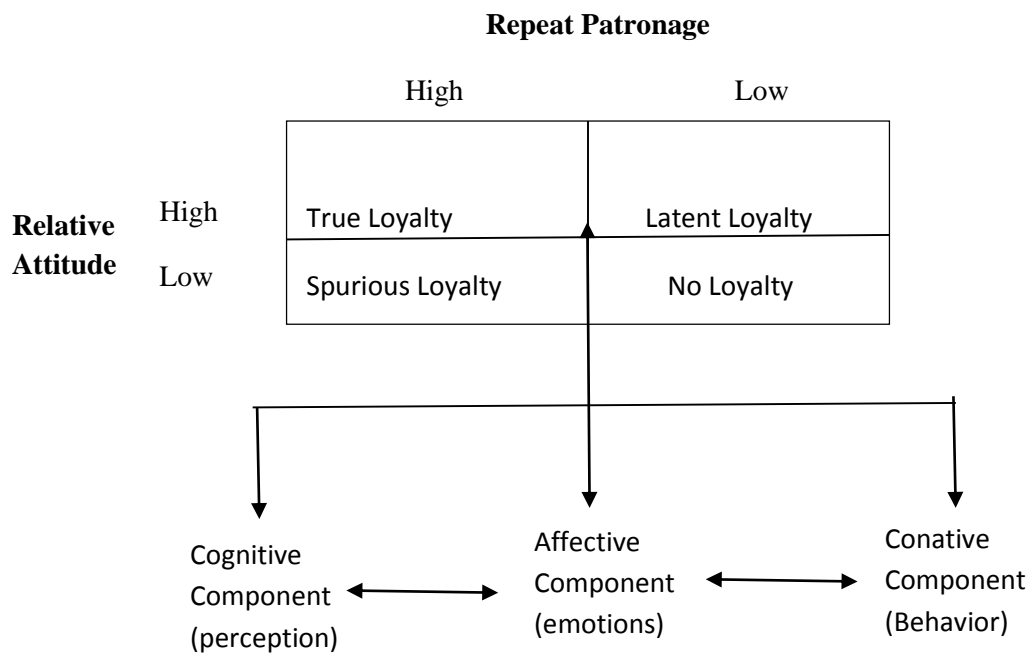


Fig. 2 - Loyalty Matrix + Tripartite Theory of Attitudes

## 2.2 Experiential Marketing

### 2.2.1 Traditional to Experiential Marketing

Bernd Schmitt, who has been cited by several authors on the topic, is primarily responsible for the rise of experiential marketing (Obonyo, 2011). In his 1999 article "Experiential Marketing" from the Journal of Marketing Management, he claimed traditional marketing was being contrasted by a new approach he called experiential marketing (Schmitt, 1999). According to him, traditional marketing views consumers as rational decision makers who care about functional features and benefits. Experiential marketing on the other hand, views consumers as not only rational, but emotional human beings who are concerned with achieving pleasurable experiences. The shift from traditional to experiential marketing has occurred as a result of three developments in the broad business environment (Schmitt, 1999).

A). Rise in Information Technology: - Business is being driven by technology. Information revolution does not only mean speed improvement, but media as well (print to voice, sight to sound).

B). Supremacy of Brand: - The advances in information technology will ensure that information about brands will be available globally and instantly. Things that traditionally were not brands are being seen as such now, e.g. Schools, TV stations, medical practices etc. Brand extensions are also occurring everywhere. Fashion brands have been extended into paint, bottled water, toothpaste etc. In a world in which brands rule, products are no longer bundles of functional characteristics, but rather a means to provide and embrace customer experiences.

C). Ubiquity of Communication and Entertainment: - As everything is being branded, they are becoming forms of communication and entertainment. Customers can now communicate directly with the company itself.

### **2.2.2 Strategic Experiential Modules (SEM's) & Experience Providers (ExPros)**

Schmitt distinguishes five different types of experiential modules that managers use to create different kinds of customer experiences (Schmitt, 1999).

A). Sense - The **sense** module appeals to the senses with the objective of creating sensory experiences, through sight, sound, touch, taste and smell. **Sense** marketing may be used to differentiate companies and products, to motivate customers and to add value to products.

B). Feel: - **Feel** marketing appeals to customers' inner feelings and emotions, with the objective of creating affective experiences that range from mildly positive moods linked to a brand (e.g., for a non-involving, nondurable grocery brand or service or industrial product) to strong emotions of joy and pride (e.g., for a consumer durable, technology, or social marketing campaign). What is needed for **feel** marketing to work is a close understanding of what stimuli can trigger certain emotions as well as the willingness of the consumer to engage in perspective taking and empathy.

C). Think: - **Think** marketing appeals to the intellect with the objective of creating cognitive, problem-solving experiences that engage customers creatively. **Think** appeals to target customers' convergent and divergent thinking through surprise, intrigue and provocation.

D). Act: - **Act** marketing enriches customers' lives by targeting their physical experiences, showing them alternative ways of doing things (e.g., in business to business and industrial markets), alternative lifestyles and interactions.

E). Relate - **Relate** marketing contains aspects of **sense, feel, think** and **act** marketing. However, **relate** marketing expands beyond the individual's personal, private feelings, thus relating the individual to something outside his/her private state.

These experiences are implemented through experiences providers (Expros). ExPros include communications, visual and verbal identity and



signage, product presence, co-branding, spatial environments, electronic media, and people. To create an experience, ExPros must be managed coherently, consistently over time and by paying attention to detail (Schmitt, 1999).

### **2.3 Experiential Marketing & Customer Loyalty**

Brakus, Schmitt and Zarantonello (2009) sought to define brand experience, understand how it is measured and whether it affects loyalty in their paper "*Brand Experience: What Is It? How Is It Measured? Does It Affect Loyalty?*" The paper looked to identify the underlying drivers of brand experience and develop a scale that can measure strength with which a brand evokes experience. Brand experience was conceptualized as subjective consumer responses, brought about by specific brand related experiential attributes, and broken down into four dimensions (sensory, affective, intellectual and behavioral). Five standard loyalty items from the work of You and Donthu (2001) were used to measure customer loyalty and based on their research, they claim brand experience has a behavioral impact, affecting loyalty though brand positioning (Brakus, Schmitt, & Zarantonello, 2009).

In 2006, Obonyo undertook a study, examining the relationship between experiential marketing, experiential value, purchase-behavior and customer loyalty towards Uganda Telecommunications Limited (UTL). Despite UTL's long existence in the telecom industry, the market share of the company remained below average compared to competitors. Statistics showed that the company's products and services market share reduced from 18.3% to 14.8% in two years. The company continued to use traditional marketing methods of print

and radio advertisement, which seemed not to be yielding expected results of enhancing customer loyalty (Obonyo, 2006). Using the three attitudinal dimensions of Dick and Basu (1994), results showed that experiential marketing and customer loyalty are positively related, supporting the idea that when telecom companies market their products and services by first having customers try them by making free calls will increase likelihood of customer loyalty (Obonyo, 2006).

The five standard loyalty items used by Brakus, Schmitt and Zarantonello (2009) and the three attitudinal dimensions used by Obonyo (2006) both entail elements of behavior and attitude, though they are different models. This solidifies the credibility of Dick and Basu's (1994) claim of customer loyalty being a relationship between attitudes and behavior. The findings of both studies showed that experiential marketing increases customer loyalty, though they were related to different brands.

## **2.4 Brand Activation Theory (Morel, Preisler, & Nyström, 2002)**

Brand activation is a natural step in the evolution of brands. It is looking deeper into the possibilities within the brand, its strategy and positioning, to find assets that have relevant consequences for the whole company (Morel, Preisler, & Nyström, 2002). As a form of experiential marketing, brand activation seeks to create experiences with customers, triggering their senses and emotions. What makes brand activation specific is its aim of proving to customers that claims/promises made in advertising are true and that the brand can be trusted. The aim of experiential marketing techniques does not

need to be specific and the 'experience' does not need to be directly related to marketing claims (Lacoma, n.d.). A brand can be activated in a range of situations best summarized in four cornerstones; products and services, employees, identity and communication (Morel, Preisler, & Nyström, 2002).

An active brand affects products and services that deliver on the brand position. It meets the customer in a personal manner closely related to the position. When activating products, emotional preferences can be attached to them, differentiating them from products with similar functions and attributes (Morel, Preisler, & Nyström, 2002). For example, an Apple computer doesn't offer a unique functional benefit that cannot be offered by other computer companies. However, their "*Think Different*" brand position casts new light on the purpose and perceived benefit of Apple computers and computer accessories. The company's mission is to deliver high quality computing products with a different experience. Brand activation is needed because it creates trust between the customer and the brand, and trust is one of the key factors to create loyalty between customers (Morel, Preisler, & Nyström, 2002).

## **2.5 Brand Activation and Customer Loyalty (Literature Gap)**

Research done by Obonyo (2006) and Brakus, Schmitt, & Zarantonello (2009) have done well to illustrate the relationship between experiential marketing and customer loyalty, both stating that experiential marketing fosters loyalty through activities that affect one's senses and emotions. Brand

activation however, is taking experiential marketing a step further, by trying to convince customers that claims made in advertising are true and that the brand can be trusted. Therefore the experiential activities carried out revolve around the brand positioning. There is a literature gap in research done as to how brand activation in particular affects customer loyalty. Though Morel, Preisler, & Nyström (2002) have hypothesized that brand activation creating trust will lead to customer loyalty, there is little or no research done to prove this. This gap in question is what this research seeks to fill.

## **CHAPTER 3– METHODOLOGY**

This next chapter will talk about the processes, methods and tools the researcher adopted to gather and analyze information, in order to make valid findings and conclusions. According to Morel, Preisler, & Nyström (2002), brand activation as a form of marketing communications, is meant to influence customer loyalty in favor of a particular brand. This study thus sought to investigate the extent to which brand activation influences customer loyalty towards the Sprite brand, if it indeed does influence it at all. The following chapter explains into detail, the processes that were used in collection of data. It will also document the type of research methods and research instruments that were used to fulfill the study objectives.

The study tested the following hypothesis and looked at other objectives:

### **3.1 Hypothesis**

- I. Null Hypothesis ( $H_0$ ) – There is no positive relationship between brand activation and customer loyalty towards the Sprite brand.
- II. Alternative Hypothesis ( $H_1$ ) – There is a positive relationship between brand activation and customer loyalty towards the Sprite brand.

### **3.2 Research Objectives**

- I. To ascertain whether there is a significant relationship between brand activation and customer loyalty towards the Sprite Brand.

- II. To determine the nature of brand activations in the Ghanaian soft drink market.
- III. To make recommendations as to how brand activation can be used and taken advantage of by the Coca Cola Company.

### 3.3 Type of Study and Research Design

The study was both explanatory and exploratory in nature. It sought to explain the relationship between brand activation and customer loyalty within the Ghanaian soft drink market and the extent to which brand activation can influence customer loyalty towards the Sprite brand. According to Andrew, Pedersen, & McEvoy (2011), explanatory research tries to explain why something happens and attempts to clarify why and how there is a relationship between two or more variables. The relationship here being between brand activation and customer loyalty. Due to the fact that the study was looking at one variables effect on people, it was a quasi, nonequivalent groups design (trochim,2005). Two groups of respondents were compared to each other before and after brand activation. However, only one group was involved in the activation. This was the treatment group whereas the other was the comparison group. This catered for most forms of bias arising from analysing results from only the activated group (trochim, 2005).

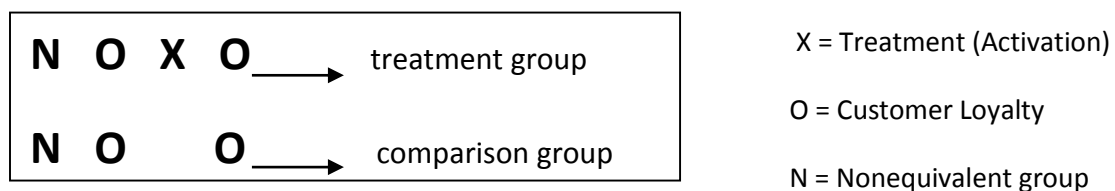


Fig.3- Non-Equivalent Groups Design

It also sought to understand why and how the Coca Cola Company is using brand activation as a marketing communication tool. This made it part exploratory aside its explanatory characteristics, because it was trying to make sense of a phenomenon or trend (Andrew, Pedersen, & McEvoy, 2011). Brand activation is slowly becoming popular amongst many Ghanaian firms including the Coca Cola Company, from their “eat with your heart” activation to their annual Sprite Ball Championship. This study tried to understand if it is really helping them retain and gain more loyal customers.

### **3.4 Sampling**

In picking samples for this study, a non-probability sampling method was employed; namely purposive sampling. This method was ideal for this particular study because the respondents were selected with a particular purpose in mind (Trochim, 2005). Though such a non-probability sampling method may not accurately represent the population, types of studies that seek to clarify relationships and understand a phenomenon do not demand an accurate relationship. Thus, it would not have been sensible to undertake random sampling (Trochim, 2005).

Furthermore, the purposive sampling method was used to sample two groups of people. The first group was used to investigate the influence of brand activation on customer loyalty, where questionnaires were administered to specific respondents. To meet sampling criteria, treatment respondents should have been drinkers of Sprite and should have been exposed to or taken part in the 2013 Sprite Ball Championship. They were selected from a database of

contacts from a marketing agency that conducts activations for the Coca Cola Company in Ghana. Comparison respondents were students randomly selected from different Universities, who had never been exposed to any Sprite activation. Treatment respondents are those exposed to a particular phenomenon, who are compared to another set of people who have never been exposed to the said phenomenon. This made any influence or effect of the phenomenon clear to the researcher.

The second group of respondents was used to understand why and how brand activation is being used in the Ghanaian soft drink market. The purposive sampling method used here was specific to experts, thus; expert sampling. Experts (about 2 or 3) had to be used in this situation through an interviewing guide, because of their knowledge in a specific area (Trochim, 2005). The specific area here would be marketing communications. In-depth interview questions were asked to a marketing executive in the Coca Cola Company and one from a marketing agency that undertakes brand activations (EXP Ghana), to gather information on why and how brand activation is being used as a marketing communication tool.

### **3.5 Sample size**

When selecting a study sample size, it first of all depends on the nature of the study and the type of data to be collected. In this case, the main objective was to understand a relationship and/or phenomenon. Therefore findings will not be generalized to the entire population so the size of your sample does not really matter (Health Management, Ethics and Research HEAT Module, n.d.).



The sampling frame for interviews to be conducted was the Coca Cola Company and brand activation agencies. Based on convenience, about 2 or 3 marketing executives from the Coca Cola Company and the marketing agency EXP Ghana were interviewed.

According to Trochim (2005), there are no guidelines as to how many respondents to sample when it comes to non-random sampling. The sample size for administering the questionnaires was therefore set at 30 for each survey group for this particular study due to convenience. An amount of 30 also seemed appropriate to gather enough data. However, the researcher was only able to survey 25 respondents for each group.

### **3.6 Data collection**

To be able to make conclusive claims and establish or disprove facts in regards to this study, it was important for the necessary data to be collected. For this study, the data collected was both primary and secondary.

Secondary data was obtained from relevant journals, texts, articles and the internet. There has been substantial work carried out on the topic of experiential marketing worldwide, however, no extensive work has been carried out on brand activation, much less on how it plays out in Ghana. These works already carried out were thus used as reference points in guiding this particular study.

Primary data on the other hand, entailed going out into the field to collect raw data i.e. from questionnaires and personal interviews before analysis was

carried out. Those to be interviewed comprised of marketing executives from Coca Cola and EXP Ghana who are knowledgeable on the subject matter of marketing communications and brand activation. Questionnaires on the other hand were administered to drinkers of Sprite who were exposed to the 2013 Sprite Ball Championship, as well as those who had never been activated by Sprite before, enabling the researcher to gather data on how the activation affected brand loyalty.

### **3.7 Research instruments**

The research instruments used for this study were an interviewing guide and questionnaires.

The interviewing guide was used to extract information about brand activation from the marketing executives at The Coca Cola Company and EXP Ghana. Questions asked in these interviews were divided into two parts in order to get the required information for this study:

- i. **Why Brand Activation?** – Questions from this section were used to find out how respondents understood brand activation and to get answers as to why brand activation is even being used in the first place. With so many other modes of marketing communication out there (which are probably less costly), these questions sought to get insight as to why the respondents feel that brand activation is something worth investing in.
- ii. **How is Brand Activation used?** – Questions from this section were used to get answers as to whether there is any particular strategy or

trend when it comes to implementing brand activation. For example, is brand activation used the same way with every brand? Is it seasonal? Do some brands even need it at all? What kind of activities are normally associated with brand activation? Basically, these questions sought to find out what the respondents feel is the best way brand activation can be used to get the required results.

This research will provide valuable insight into the phenomenon of brand activation within the soft drink market in Ghana, and provide information for making more sound marketing decisions.

Online questionnaires were designed based on Dick and Basu's (1994) customer loyalty typology and the tripartite theory of attitudes affecting it. Hence, the questionnaires were divided into four segments, consisting of close-ended questions to guarantee easy understanding.

The first three segments were based on the three attitudinal factors and used to measure customer loyalty. The first set of these questions was based on the **affective component** and was used to collect information on how respondents felt emotionally about the Sprite brand in question before and after the Sprite Ball Championship activation period. Next, questions were asked based on the **cognitive component** and sought to extract information on respondents' perception about the Sprite brand before and after the activation period. Lastly, questions were asked based on the **conative/behavioral component** and sought to extract information on how respondents acted towards the Sprite brand before and after the activation

period. The very last segment contained questions used to collect demographic information from respondents (age and gender).

A copy of the questionnaire has been attached in the appendix.

### **3.8 Data collection period**

Data took approximately 5 weeks to collect. In the first week, meetings were arranged with marketing executives from Coca Cola and EXP Ghana for interviews to be conducted that same week or the next. The following week was used to administer questionnaires to both the treatment (brand activation) and control groups.

### **3.9 Data analysis**

Data collected was analyzed qualitatively and quantitatively. Quantitative data was analyzed using mean measures as well as variance and standard deviations to show variations and dispersions from the averages between the treatment and control group. An independent t- test was used to check significance level. This was done using the PSPP analysis tool. Customer loyalty was measured using Dick and Basu's (1994) loyalty typology, as well as the Tripartite Theory of Attitudes from questionnaire answers. Graphs and tables were also used to represent questionnaire data.

Qualitative data from interviews was analyzed categorically, based on which part of the interview answers came from.

## **CHAPTER 4 – DATA ANALYSIS & FINDINGS**

What this chapter aims to do is essentially bring forth and discuss the findings of the research. Therefore, the data obtained from the study will be presented in response to the research questions and objectives previously stated.

To properly present the analyzed data for easy understanding, this chapter has been broken down into two parts. The first part will look at the qualitative analysis that arose from the findings acquired from the depth interviews. The second part will look at the analysis of quantitative data obtained from the administered questionnaires.

### **4.1 Interviews**

As previously mentioned in the methodology section, marketing executives with experience in brand activation were interviewed, to determine why and how brand activation is being used in the Ghanaian soft drink market. Those interviewed include a Coca Cola marketing executive, and the Regional Manager at EXP Ghana, Mr. Aziz Amankwah, who runs the marketing agency that handles brand activations for various clients, including Coca Cola. Both marketing managers took time out to go into detail about their understanding of brand activation, why they use it and how they use it, from the view point of a client company and an agency. They also gave their opinions on how they believe brand activation influences customer loyalty.

#### **4.1.1 Interview with Coca Cola Marketing Executive**

This interview was meant to give a brief understanding as to why and how Coca Cola is using brand activation as a marketing communication tool. A marketing executive from Coca Cola was interviewed but chose to remain anonymous due to confidentiality reasons.

The interviewee defined brand activation as the marketing process of bringing a brand to life through the creation of brand experiences. She said; *"With brand activation, here at Coca Cola, we focus on building a long-term emotional connection between the brand and the customer."* When asked about why Coca Cola chose to use brand activation in the first place, she emphasized on the belief that with activations, you can convey your positioning to consumers whilst supporting your advertisement claims at the same time. She added that it also serves as an avenue for consumer-brand interaction, thus eliciting consumer insights; *"When we talk about consumer insights, we're talking about those consumer characteristics that will help us better our products. Brand activation can help identify those insights."*

On the topic of what brand activation had to offer over other modes of communication, this is what the Coca Cola marketing executive had to say: *"Excessive reliance on media advertising has resulted in 'over-communication' over the years and this culture has been gradually increasing with no signs of slowing down."* According to her, consumers are made to listen to different messages from all sorts of directions without they themselves being heard; *"Brand activation caters for this culture and sees to the modern day*

*knowledgeable consumer by giving them experiences."* Moving on to challenges, she made mention of a couple that are faced by Coca Cola; *"First of all, we have to deal with an ever changing market place."* She said; *"Customer preferences and attitudes keep evolving and require us in marketing to act rapidly. For example, trigger points that we identify six months ago may be completely different today."* Another challenge she mentioned was reaching different target markets with culturally relevant propositions. When asked about customer loyalty and brand activation, she was quick to defend her belief in a positive relationship. According to her, once you have a good product and have found a way to get consumers to relate to it on an emotional level, they are almost bound to come back for more.

The next part of the interview revolved around how Coca Cola felt was the best way to use brand activation. First, the interviewee was asked whether any product could be activated and which products would get consumers to respond better. She said almost any product or service could be activated, as long as there was a way to create an experience. Relating that to the best products to get responses from consumers, she said; *"The easiest products to activate are created on specific values which can easily be relayed to the consumer."* Afterwards, she was asked about guidelines to brand activation and how activations compete between different brands. This is what she had to say; *"Well, in terms of structure or guidelines, one has to be able to clearly define the target audience, identify consumer insights and create a 'big idea' to relay to consumers. The rest is all about creativity and proper execution".* She finished by saying that competing activations would always be quite

different. Coming up with similar 'big ideas' in the first place is a long shot. Even with that, the implementation will always be different.

#### **4.1.2 Interview with EXP Ghana Regional Manager – Aziz Amankwa**

The purpose of this interview was to gain insight as to why and how brand activation is being used as a marketing communication tool from the perspective of EXP Ghana – A branch of the South African marketing agency that focus on delivering consumer experiences (EXP, n.d.).

Aziz Amankwa, the country manager of EXP Ghana, described brand activation as *"the different processes and activities a brand engages in to ensure that it stays on the top of consumers' minds, and makes it relevant in terms of usage and benefits. Basically, it brings the brand to life."*

When asked about why EXP believes so much in using brand activation, Mr. Amankwa had much to say. According to him, brand activation is the only way a brand can speak to consumers and get consumers to speak back as well. Mr. Amankwa also claimed that brand activation gives consumers the chance to be heard by the brand, unlike other modes of marketing communication i.e. print, radio and TV, which are all about the brand speaking to the consumer. When asked about challenges EXP faces when it comes to brand activation, his two main points were the clients understanding of the phenomenon and it's high cost: *"Most people don't understand what brand activation can do for them, plus it's pretty costly as well. If more people understand that brand activation is not an instant solution to their problems, but a building process*



*where results might show slightly in the short term, but build a lot of equity in the long term, the clients business as well as my business will be better off."*

On the topic of customer loyalty, Mr. Amankwa was confident in saying he thinks brand activation helps to build it. He put forth that one of the biggest challenges in marketing is the consumers' ability to believe in a brand and have a reference point. He said brand activation puts the brand and its team in the consumers hands so that they know there are people they can trust.

The next part of the interview had to do with how EXP believed brand activation should be used to get the best results. According to Mr. Amankwa, any product can be activated from FMCG's to airlines and even NGO's. As long as there is a consumer base, there's an avenue for activation. However, he made sure to mention that every brand must properly identify their consumer base and understand them because for consumers to relate well with a brand, it must be relevant to them.

When asked about how brand activation differs between competing brands, the regional manager talked about how anybody can do an activation, but what sets them apart is how deep and engaging one experience is from another. In explaining this, he brought up a theory known as "inch-wide, mile-deep"; *"Okay, so you can't reach everybody, but you identify the critical and core people that make up the brand, and those are your 'inch-wide' consumers. Now you just have to dig deeper and deeper into their minds, so even with an inch wide of consumers, their experiences are so deep that they become loyal customers"*.

#### **4.1.3 Major Findings from Interviews**

After the interviews were conducted, it was clear that both companies had almost the same mindset about brand activation and how to go about using it. Both the Coca Cola and EXP executives defined brand activation around the idea of bringing brands to life, be it through staying on top of consumers' minds or creating an emotional connection. It was also clear from both interviews that brand activation gives consumers the chance to be heard, unlike other modes of marketing that just allow for the consumer to listen to the brand.

On the issue of challenges however, there were some differences that arose. Coca Cola felt their challenges came from an ever-changing market place, whereas EXP felt challenges came from the clients not being able to understand that brand activation does not produce sales results in the short term. This was understandable because Coca Cola as the client, has the obligation of identifying their target market, whilst EXP on the other hand, comes up with the activation process. It was clear though, that both companies regard brand activation as a tool that can cut across various products as long as it has a target market and an experience can be created from it, leading to customer brand loyalty.

Linking these findings to literature, there seems to be some form of correlation or "agreement" in a sense. According to Dick and Basu (1994), customer loyalty is partly a function of relative attitude that can be judged from experiences. These same experiences are what both interviewees feel

can create loyalty. Schmitt's (1999) experiential modules also back the claim made by both executives that experiential marketing and brand activation can cut across a wide range of products. Each of Schmitt's (1999) five modules touch on different ways consumers interact, and these different ways of interacting can be linked to different types of products.

## 4.2 Questionnaire Analysis

Administering of questionnaires and analyzing the data was geared towards answering the research question; *"What effect does brand activation have on customer loyalty in the soft drink beverage market?"* The Sprite brand was used as a case, thus, research was specifically looking at how brand activation affected the customer loyalty of consumers exposed to the 2013 Sprite Ball Championship; A yearly activation undertaken by the Coca Cola Company. This section thus provides results acquired from the survey, which have been studied and evaluated through hypothesis testing and other data analysis techniques.

### 4.2.1 Demographics

Activated Males	14
Activated Females	11
Non-Activated Males	14
Non-Activated Females	11

Fig. 4.1 – Male and female respondents

Altogether, 50 respondents were surveyed for this research, 25 respondents in both the activated and non-activated group. Fig. 4.1 shows that

in both the activated and non-activated group, there were 14 male respondents and 11 female respondents.

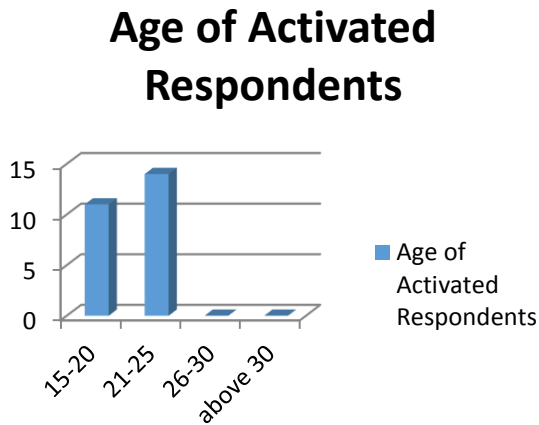


Fig. 4.1.1

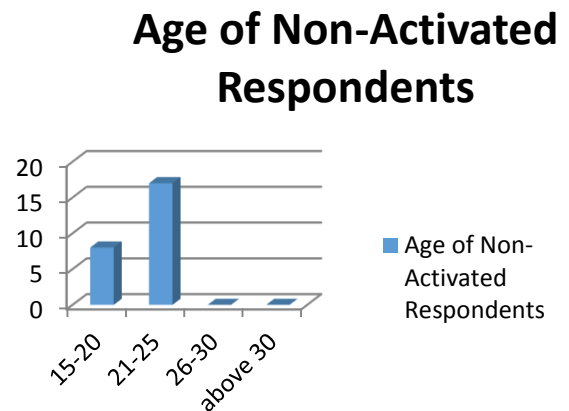


Fig. 4.1.2

Information in the charts above depict the age group of the respondents. In the activated group, 11 people fell in the 15-20 range with 14 people falling in the 21-25 range. The non-activated group had 8 respondents in the 15-20 age bracket and 17 in the 21-25 bracket. In both group, no respondents were above 25 years of age.

#### **4.2.2 Brand Loyalty towards Sprite Brand (Before and After Activation)**

Brand loyalty basically looks at consumers positive attitudes towards a brand, how they can differentiate them from others and their willingness to continue purchasing said brand (Morel, Preisler, & Nyström, 2002). Gaining and keeping loyal customers most of the time leads to increased market share and revenue. That is why many companies like Coca Cola do their best to please their customers and keep them coming back for more.

That being said, the following graphs reflect the information gathered from the questionnaires, as to how loyal consumers of Sprite were before and after the 2013 Sprite Ball Championship, comparing those who took part to those who have never been activated by Sprite before.

### **Bivariate Distribution**

A bivariate distribution looks at the distribution of two different variables plotted graphically on the x and y axes, so a relationship can be analyzed. The chart below displays a bivariate scatter plot distribution for pre-post loyalty measures of both groups. The activated cases are indicated in blue whilst the non-activated cases are indicated in orange.

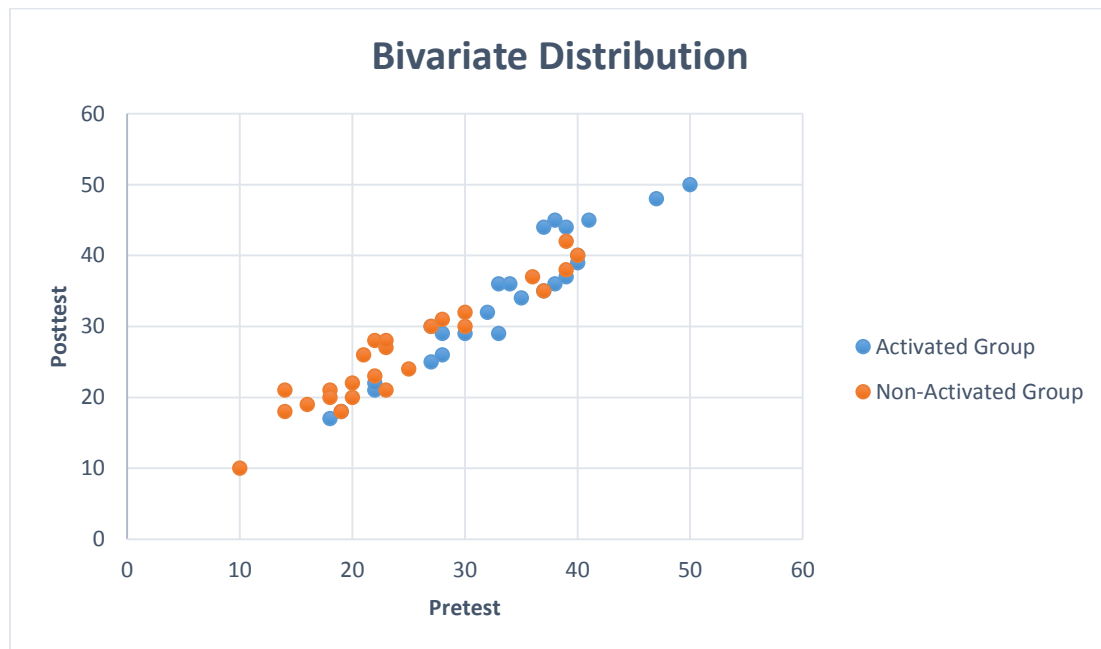


Fig. 4.2

Looking at the graph, it is clear that both groups showed slightly higher results on the post-test than the pre-test. However, the non-activated respondents seemed to show results at a slightly higher rate. It can also be

seen that the activated group is skewed a little bit to the right, indicating higher loyalty levels than the non-activated group before as well as after the activation period.

### Pretest & Post-test Means

The chart below displays the mean loyalty levels of both groups, before and after the activation. It aims to show how similar the groups were before the activation was implemented.

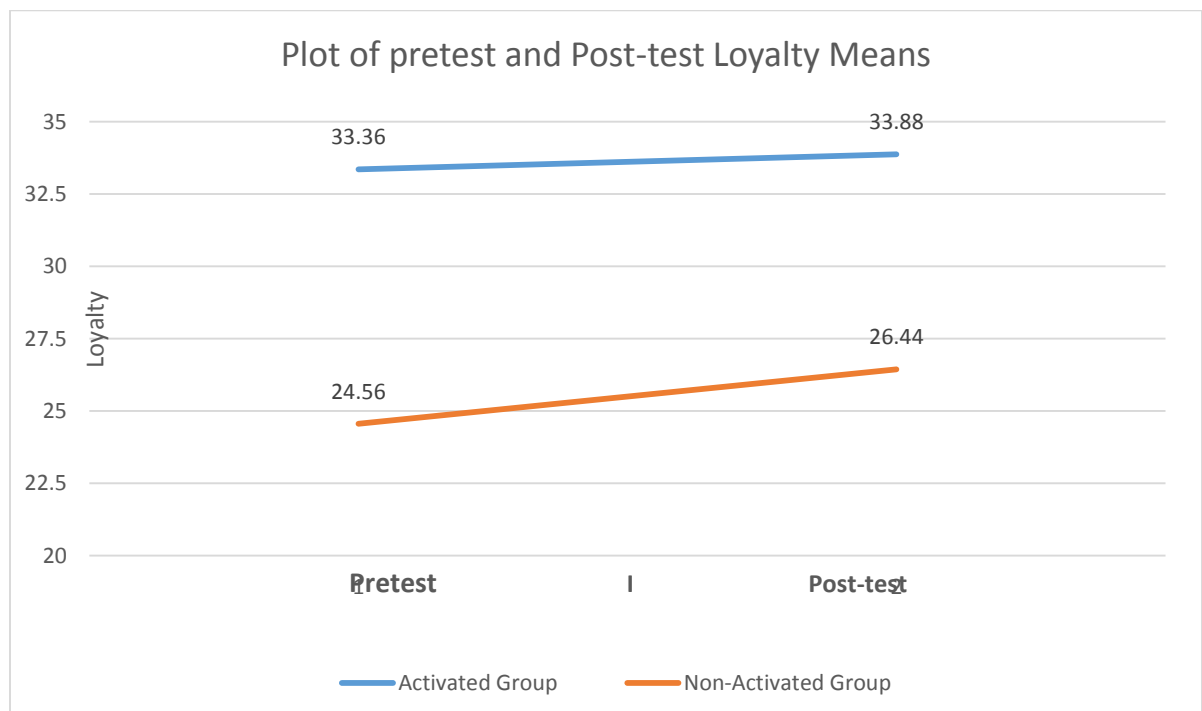


Fig. 4.3

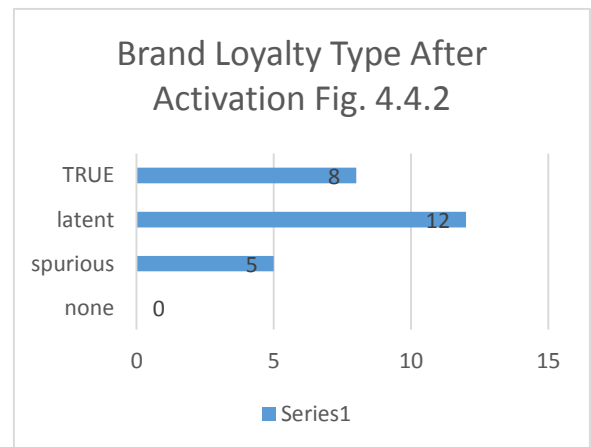
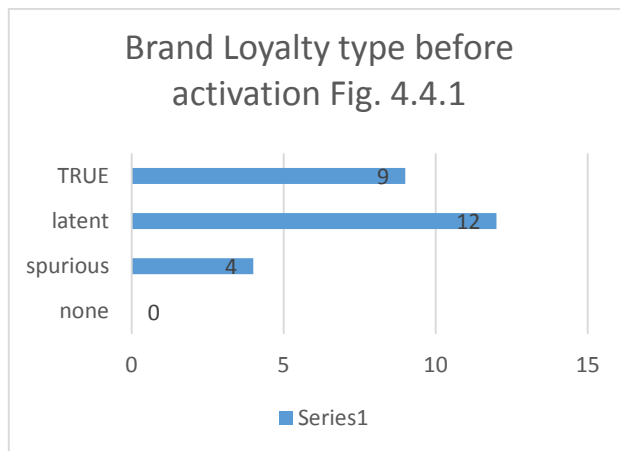
Looking at the above information, it can clearly be seen that the activated group was more loyal towards the Sprite brand than the non-activated group, even before the implementation of the activation. However, even though the data shows the activated group being more loyal all round

(before and after), the non-activated group seemed to increase its loyalty at a faster rate.

### Brand Loyalty Framework

Dick and Basu's typology breaks down loyalty into four different groups. Non-loyals, who have little or no relative attitude and willingness to repeat purchase, spurious loyals, who have low relative attitude but somehow tend to keep purchasing the brand, latent loyals, who have a high relative attitude towards the brand but little repeat patronage (due to factors such as availability proximity) and true loyals who have both high relative attitude, as well as repeat purchase.

#### Activated



From the graphs above, majority of the activated respondents (12 of them) were latent loyals, with loyalty ranging from 26 – 37 before the action. After the activation, the number remained the same. The same number of respondents had a high relative attitude but little repeat patronage before and after the activation period. However, true loyals decreased by 1 respondent

whilst spurious loyals increased by one. No significant change in the loyalty types can be seen according to the data above.

#### Non Activated

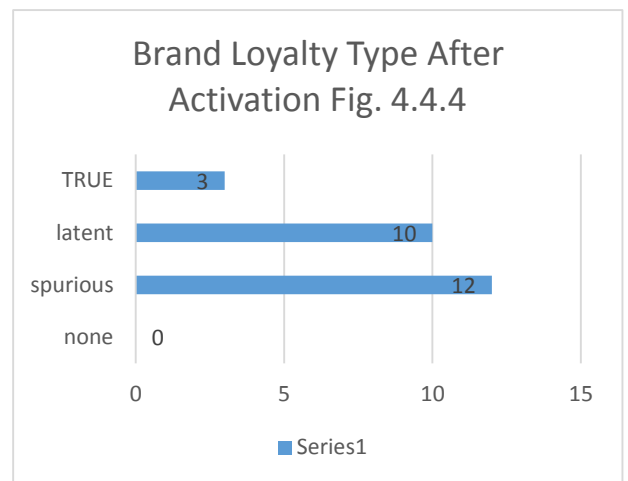
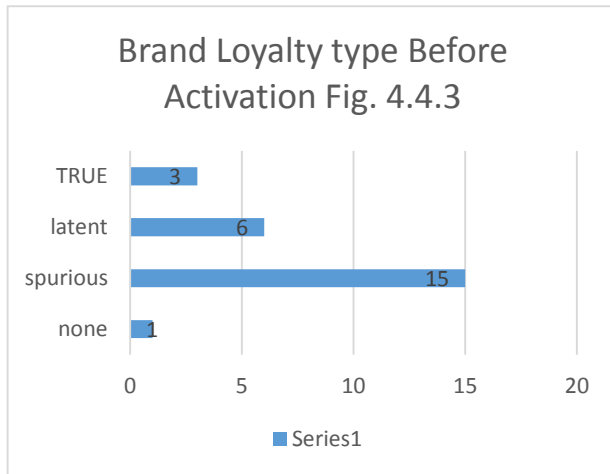


Fig. 4.4.3 and 4.4.4 show that before and after the activation period, majority of respondents were spurious loyals, with loyalty levels from 13-25. However, the number of spurious loyals reduced from 15 to 12. These respondents had low relative attitudes towards the brand but a high level or repeat patronage. The biggest change in non-activated respondents however, came in the increase of latent loyals from 6 to 10. This means more people had a higher relative attitude towards the brand but patronized it less after the activation period.



### 4.2.3 Hypothesis Testing

The test below seeks to compare the changes in loyalty levels of activated to non-activated consumers from before to after the Sprite Ball Championship, and identify whether there was a significant difference. An independent t-test was used to do the calculations.

Null Hypothesis ( $H_0$ ) – There is significant a relationship between brand activation and customer loyalty towards the Sprite brand

Alternative Hypothesis ( $H_1$ ) – There is a significant relationship between brand activation and customer loyalty towards the Sprite brand.

T-TEST

T-TEST /VARIABLES= Var0002  
/GROUPS=Var0001(1,2) /MISSING=ANALYSIS  
/CRITERIA=CIN(0.95).

Group Statistics

	Var0001	N	Mean	Std. Deviation	S.E. Mean
Var0002	Activated	25	-.52	2.87	.57
	Non-Activated	25	-1.88	2.49	.50

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Var0002	Equal variances assumed	.24	.63	1.79	48.00	.08	1.36	.76	-.17	2.89
	Equal variances not assumed			1.79	47.04	.08	1.36	.76	-.17	2.89

Fig. 4.5 – Independent t-test

## Equal Variances

- The F-Test for Levene's was used to test for equality of variances
- Since  $p(0.63) > 0.05$ , the groups assumed equal variances, therefore the t-test saying "equal variances assumed" was used.
- The equal variances row indicates that the two-tailed significance for Change in loyalty is 0.08.
- Since this is greater than 0.05, we cannot reject the null hypothesis, thus concluding that there is insufficient evidence to suggest that the loyalty changes of the activated and non-activated consumers are different.
- According to table, the change in loyalty of activated consumers ( $M = -0.52$ ,  $SE = 0.57$ ), was greater than the change in loyalty of non-activated consumers ( $M = -1.88$ ,  $SE = 0.50$ ),  $t(48) = 1.79$ ,  $p > 0.05$
- However, to discover whether the above effect is substantive in practical terms, we need to use the effect size.

## Effect Size

$$r = \sqrt{\frac{t^2}{t^2 + df}}$$

Where  $t = 1.79$ ,  $df = 48$

Therefore  $r$  (effect size) = 0.2501

The benchmark for a large effect size is 0.5, however  $0.2501 < 0.5$

Therefore, the effect of activated consumers having a greater change in loyalty than the comparison group is not substantive.

## **Chapter 5 – Conclusion and Recommendations**

### **5.1 Conclusion**

Based on the quantitative analysis, both graphs showed an increase in loyalty levels from both activated and non-activated consumers. However, the non-activated consumers seemed to show an increase in loyalty after the activation period at a slightly higher rate. This means that, even though the activated consumers were more loyal to Sprite in both situations (before and after activation), it was the non-activated consumers who seemed to experience a higher change. Looking at the brand loyalty types as well, there were no additions to “true loyals”, or even “latent loyals” after the activation period in terms of activated consumers.

According to the hypothesis independent t-test, it was determined that there was no significant relationship between brand activation and customer brand loyalty of the Sprite Brand. This makes sense in regard to the results shown in the loyalty charts.

Qualitative data obtained from the interviews, gave insight as to why and how brand activation is being used in the Ghanaian soft drink market. According to marketing executives in the industry, brand activation has a high potential of creating loyal customers if used in the right manner. Both interviewees also stressed on the fact that brand activation works in the long term and cannot be relied on to solve short term problems. This could be a reason as to why results failed to show a significant relationship after the four month period.

## **5.2 Comparison of Findings to Literature**

Looking at the research done, findings have gone contrary to previous literature on experiential marketing and how it relates to customer loyalty. Studies by Obonyo (2006) and Brakus, Schmitt & Zarantonello (2009) state that experiential marketing increases customer loyalty whereas this research states otherwise in terms of brand activation. Both previous studies found ways of measuring experiential marketing and compared them to other variables including loyalty, using regression analysis. Since brand activation was a phenomenon that could not be measured as such, a quasi-experimental design was used alongside an independent t-test, to view the changes in customer loyalty, before and after activation. This could have contributed slightly to the difference in results. Another major reason for the difference in results could have been the fact that the groups were not completely on the same level before the activation, as well as the lack of a larger sample size. Large sample sizes will always give more accurate results.

## **5.3 Recommendations**

According to the research, brand activation is a very tricky method of marketing communication that has potential to yield very positive results, but cannot be achieved without patience, understanding and proper planning. Therefore this chapter also seeks to put forth suggestions and recommendations as to how best brand activation can be used to achieve customer brand loyalty.

### **5.3.1 Mini follow-up activations**

It has been assumed from the interviews, that brand activation has the potential to work in the long-run. However, activating a group once and then expecting them to become loyal a year down the line might not have the desired effect. If anything, the effects of the activation should be more prominent in the early stages after the event, and then dwindle down as time goes by as a result of exposure to different communication from different brands. However, if the same group of consumers are activated over and over through follow-ups, the communication becomes more renowned in their minds. It is recommended that Coca-Cola follow up with activated consumers on maybe a quarterly basis, with some form of mini-activation. This could be in the form of little gifts, free drink vouchers and invitations to get involved in another full activation.

Showing customers that they are valued by the brand on a regular basis, as well as continuously driving a particular marketing message into their minds, will allow customers to trust the brand, accept its positioning and become loyal towards it.

### **5.3.2 More personal marketing towards individuals**

Another means by which consumers can become loyal is making them feel more valued by the brand as individuals. In addition to the follow-up mini activations, it is recommended that Coca-Cola try and collect consumer details such as birthdays, anniversaries, favorite colors and even nick-names. Basically, the things that make us unique. Coca Cola should be able to send

activated customers special messages on birthdays and special holidays, through txt messages and even social networks such as Facebook and LinkedIn. This way, consumers can even be congratulated when they change jobs or get promotions.

## **5.4 Limitations**

There is no doubt that this research encountered some limitations which could have had an effect on the findings of the study. These limitations are briefly discussed below.

First of all, respondents were asked to answer questions about the brand as at the time they were filling the questionnaire, and then they were also asked to recall how they felt and thought about the brand four months prior. Respondents might have had some difficulty remembering accurately or might have even answered in a particular way, based on their own idea of how they should have felt before the activation period. This type of test is however a valid, tried and tested one, known as a proxy-pretest design (Trochim, 2005).

Secondly, an ideal number of thirty respondents from each group was not fulfilled. Out of that number, only twenty-five respondents from each group filled out questionnaires. More respondents could have contributed to a more credible result.

## **5.5 Further Studies**

As stated earlier, brand activation is a relatively new communication tool when compared to general modes of marketing communication from the beginning of time. This study looked at the phenomenon of brand activation and how it affects customer brand loyalty in the Ghanaian soft drink market, using the Sprite brand as a case study. However, the research was limited to just the soft drink market and only the Sprite brand at that, to facilitate good research based on the given time frame.

Further research should include how brand activation works for other products in different industries in the country, spreading it out to a wider demographic group. Brand activation can also be compared to other modes of marketing communication such as TV, print and radio in relation to customer brand loyalty. Such studies will give a deeper insight as to how effective brand activation can be across different industries, and how best it can be used to achieve desired results.

## References

- Andrew, D. P., Pedersen, P. M., & McEvoy, C. D. (2011). *Management, Research Methods and Design in Sport*. Champaign: Human Kinetics.
- Ansari, F. (2011). *Brand Activation Orientation*.
- Brakus, J. J., Schmitt, B. H., & Zarantonello, L. (2009). Brand Experience: What is it? How is it measured? Does it affect loyalty? . *Journal of Marketing*.
- Bruijin, A. D. (2011). *Monitoring Alcohol Marketing in Africa; findings from Gambia, Ghana, Nigeria, Uganda*. Utrecht: World Health Organization.
- (2011). *Circular for Extraordinary General Meeting*. Guinnesss Ghana Breweries Limited.
- Daily-Guide. (2008, January 23). *Coca-Cola Boss Hails Ghanaian Market*. Retrieved from Modern Ghana: <http://www.modernghana.com/news/154721/1/coca-cola-boss-hails-ghanaian-market.html>
- Daily-Guide. (2012, March 22). *Coca-Cola Gives Freebies*. Retrieved from Modern Ghana: <http://www.modernghana.com/news/384949/1/coca-cola-gives-freebies.html>
- Garland, R., & Gendall, P. (2004). Testing Dick and Basu's Customer Loyalty Model. *Australasian Marketing Journal*.
- Guide, D. (2009, June 15). *Star Beer Launches "Grab The Mic" Competition*. Retrieved from Ghana Music: <http://www.ghanamusic.com/news/event-news/star-beer-launches-grab-the-mic-competition/index.html>
- Health Management, Ethics and Research HEAT Module*. (n.d.). Retrieved from LabSpace: <http://labspace.open.ac.uk/mod/oucontent/view.php?id=454418&section=1.8>
- Jensen, J. M. (2011). Consumer loyalty on the grocery product market: an emperical application of Dick and Basu's framework. *Journal of Consumer Marketing*.
- La Casera launched in Accra*. (2011, April). Retrieved from Ghana Business & Finance: <http://www.ghanabizmedia.com/ghanabizmedia/april-2011-bulletins/249-la-casera-launched-in-accra.html>
- Lacoma, T. (n.d.). *Difference Between Activation Marketing & Experiential Marketing*. Retrieved from Chron: <http://smallbusiness.chron.com/difference-between-activation-marketing-experiential-marketing-23549.html>
- Matsika, B. (2011). *GUINNESS GHANA BREWERIES LIMITED FY 2011 Results & Update - Repositioning for growth....* IMARA Investing in Africa.



- Mise, J. K., Nair, C., Odera, O., & Ogutu, M. (2013). Factors Influencing Brand Loyalty of Soft Drink Consumers in Kenya and India. *Int.J.Buss.Mgt.Eco.Res.*
- Morel, P., Preisler, P., & Nyström, A. (2002). Brand Activation. *Starsky Insight*.
- Obonyo, M. (2011, November). Experiential Marketing, Experiential Value, Purchase Behaviour and Customer Loyalty in the Telecoms industry. *Research Dissertation* . Uganda: Makerere University.
- Pettit, R., Cook, W., Belmont, D., & Sokolyanskaya, I. (2008, January). Experiential Marketing: A Master of Engagement. *ARF Event Engagement Consortium*.
- Schmitt, B. (1999). Experiential Marketing. *Journal of Marketing Management*.
- Sharma, R. (n.d.). *Dabur Celebrate Life: Project Report on Brand Activation*.
- Sharma, R., & Sharma, V. (2011). Experiential Marketing: A Contemporary Marketing Mix. *International Journal of Management and Strategy*.
- Sprite Ball Championship*. (2011). Retrieved from Basketball Ghana:  
<http://www.basketballghana.com/competition/sprite-ball/>
- Theories of Attitude Formation & Change*. (2001, January 23). Retrieved from UNT:  
[http://courses.unt.edu/kt3650\\_5/sld019.htm](http://courses.unt.edu/kt3650_5/sld019.htm)
- Trochim, W. M. (2005). *Research Methods: The Concise Knowledge Base*. Atomic Dog Publishers.
- Two crowned Stone Neighborhood champions in Sunyani* . (2013, August 30). Retrieved from My Joy Online: <http://business.myjoyonline.com/pages/news/201308/112313.php>
- Who We Are*. (n.d.). Retrieved from EXP Agency:  
[http://www.expagency.co.za/who\\_we\\_are.html](http://www.expagency.co.za/who_we_are.html)

# APPENDIX

## APPENDIX A: Questionnaire

Dear Respondent,

This questionnaire seeks to establish the relationship between BRAND ACTIVATION AND CUSTOMER LOYALTY IN THE SOFT DRINK MARKET, USING THE BRAND AS A CASE STUDY. You have been selected to participate in this study and all the information that you will provide will be used for academic purposes only. Thank you for your cooperation.

### SECTION I: CUSTOMER LOYALTY

Please indicate by ticking in the appropriate box to what extent you feel about the following statements below.

(Not at all) -1, (A little) -2, (Medium)-3, (A lot)-4 and (Extremely)-5

#### I. Customer loyalty (Now)

	<b>A. Affective Component</b>					
1	How much do you appreciate the taste of Sprite?	1	2	3	4	5
2	Are you happy drinking this Sprite?	1	2	3	4	5
5	Does Sprite come to the top of your mind with ease?	1	2	3	4	5
6	Do you feel a larger sense of uniqueness for the Sprite brand compared to others?	1	2	3	4	5

	<b>B. Cognitive Component</b>					
1	Do you have a good perception about the quality of Sprite?	1	2	3	4	5
2	Do you think Sprite is worth its price?	1	2	3	4	5
5	Do you trust Sprites marketing messages?	1	2	3	4	5

	<b>C. Conative/ Behavioral component</b>					
1	How much do you purchase Sprite on the regular?	1	2	3	4	5
2	If Sprite is out of stock at your nearest store, are you inclined to look for it elsewhere?	1	2	3	4	5
6	How much more do you recommend Sprite to others?	1	2	3	4	5

## II. Customer loyalty (4 Months Ago)

	<b>A. Affective Component</b>					
1	How much did you appreciate the taste of Sprite 4 months ago?	1	2	3	4	5
2	Were you happy drinking Sprite 4 months ago?	1	2	3	4	5
5	Did Sprite come to the top of your mind with ease 4 months ago?	1	2	3	4	5
6	Did you feel a large sense of uniqueness for Sprite compared to others 4 months ago?	1	2	3	4	5

	<b>B. Cognitive Component</b>					
1	Did you have a high perception about the quality of Sprite 4 months ago?	1	2	3	4	5
2	Did you think Sprite was worth its price 4 months ago?	1	2	3	4	5
5	Did you trust Sprites marketing messages 4 months ago?	1	2	3	4	5

	<b>C. Conative/ Behavioral component</b>					
1	How much did you purchase Sprite on the regular 4 months ago?	1	2	3	4	5
2	If Sprite was out of stock at your nearest store, would you have been inclined to look for it elsewhere 4 months ago?	1	2	3	4	5
6	How much did you recommend Sprite to others 4 months ago?	1	2	3	4	5

## SECTION 2: DEMOGRAPHIC CHARACTERISTICS

Please tick the appropriate box for the questions that follow below:

1. Gender. Male ☐ Female ☐

2. Age Group

15-20	21-25	26-30	Above 30
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## **APPENDIX B: Interviewing Guide**

Dear Sir/Madam,

This Interview seeks to answer questions pertaining to why and how brand activation is being used in the Ghanaian soft drink market, in relation to the thesis topic; INVESTIGATING THE INFLUENCE OF BRAND ACTIVATION ON CUSTOMER LOYALTY IN THE GHANAIAN SOFT DRINK MARKET: A CASE STUDY OF THE SPRITE BRAND. Your participation in this study would be much appreciated and all the information that you will provide will be used for academic purposes only. Thank you for your cooperation.

### **A. Why Brand Activation?**

1. How would you define brand activation?
2. What influenced you to start using brand activation in the first place?
3. What do you feel brand activation has to offer that other modes of marketing don't?
4. What are the challenges you face with using brand activation?
5. What effects do you feel brand activation has on the firm financially?
6. What is your opinion on brand activation and how it affects customer loyalty?

### **B. How is Brand Activation used?**

1. Can brand activation be used for any product?
2. What type of products do you feel would make customers respond better if activated?
3. Is there a specific structure of guideline when undertaking brand activation?
4. Are there particular times of the year when activations would work better?
5. How does activation differ between competing brands?
6. What kind of activities would you associate with brand activation?

## APPENDIX C: Change in Loyalty Values

Var0001 = Activation Status (1, Activated & 2, Non-Activated)

Var0002 = Change in Loyalty

Case	Var0001	Var0002	
1	1.00	2.00	
2	1.00	-7.00	
3	1.00	2.00	
4	1.00	2.00	
5	1.00	1.00	
6	1.00	1.00	
7	1.00	.00	
8	1.00	-3.00	
9	1.00	-4.00	
10	1.00	.00	
11	1.00	4.00	
12	1.00	1.00	
13	1.00	2.00	
14	1.00	-7.00	
15	1.00	1.00	
16	1.00	2.00	
17	1.00	.00	
18	1.00	1.00	
19	1.00	-1.00	
20	1.00	-2.00	
21	1.00	-5.00	
22	1.00	1.00	
23	1.00	.00	
24	1.00	-3.00	
25	1.00	-1.00	

Case	Var0001	Var0002	
26	2.00	-5.00	
27	2.00	.00	
28	2.00	2.00	
29	2.00	-2.00	
30	2.00	-3.00	
31	2.00	-7.00	
32	2.00	-6.00	
33	2.00	.00	
34	2.00	-3.00	
35	2.00	.00	
36	2.00	2.00	
37	2.00	.00	
38	2.00	-4.00	
39	2.00	-3.00	
40	2.00	-2.00	
41	2.00	-1.00	
42	2.00	1.00	
43	2.00	-1.00	
44	2.00	-5.00	
45	2.00	1.00	
46	2.00	-2.00	
47	2.00	-3.00	
48	2.00	1.00	
49	2.00	-4.00	
50	2.00	-3.00	

## APPENDIX D: Respondent Consent Form

Dear Participant:

My name is Kevin V. Eshun. I am a student at Ashesi University College in the Business Administration Department under the supervision of Mr. Anthony Ebow Spio. You are kindly being asked to participate in a research project entitled: *“Investigating the Influence of Brand Activation on Customer Brand Loyalty in the Ghanaian Soft Drink Market: A Case Study of the Sprite Brand”*. The purpose of this survey is to understand to an extent, how customer loyalty towards Sprite is influenced by a mode of marketing communications known as brand activation. This study has been approved by the Institutional Review Board (IRB) of Ashesi University.

The following study survey was developed to ask you a few questions regarding customer loyalty towards Sprite, based on the 2013 Sprite Ball Championship Activation. It is our hope that this information will contribute largely to understanding this phenomenon, and will aid firms in helping ‘you’ the customer, enjoy and appreciate your beverages better. There are no identified risks from participating in this research.

The survey is not anonymous because participants have to answer questionnaires twice. However, confidentiality of participants’ details is assured in this agreement. Participation in this research is completely voluntary and you may refuse to participate without consequence. The survey will take approximately 5 minutes to complete. You will receive no compensation for participating in the research study. Responses to the survey will only be reported in aggregated form to protect the identity of respondents. Results will be used in an academic thesis paper, presented to faculty and staff of the university and published on the school’s website. Neither the researcher nor the university has a conflict of interest with the results.

To insure safe and proper research procedures, auditors of the Institutional Review Board (IRB) of Ashesi University will be granted direct access to the research data without violating the confidentiality of the participants. Further information regarding the research can be obtained from the principal researcher; Kevin Eshun, [kevin.eshun@ashesi.edu.gh](mailto:kevin.eshun@ashesi.edu.gh)/ [kevin.eshun@yahoo.com](mailto:kevin.eshun@yahoo.com) or his faculty advisor; Mr. Anthony Ebow Spio, [aespio@ashesi.edu.gh](mailto:aespio@ashesi.edu.gh) Thank you for your consideration. Your help is greatly appreciated.

[Your signature below indicates that you have read the above information and agree to participate in the study]

.

---

Printed Name

---

Signature

---

Date